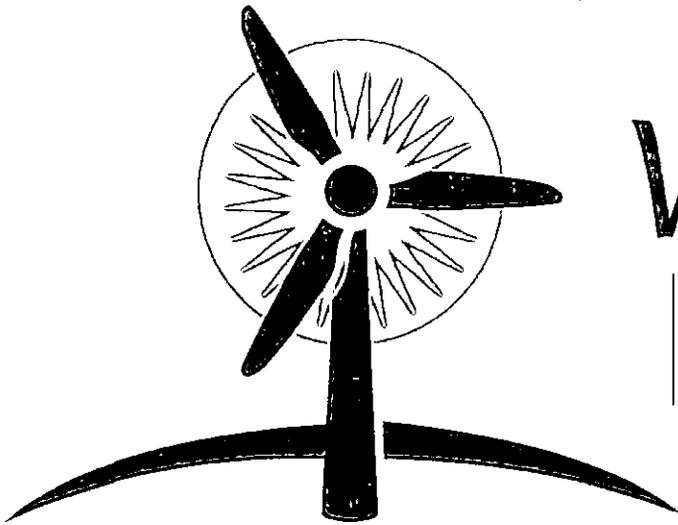


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**The 2010 Annual Report of the
West Penn Power Sustainable Energy Fund**



WPPSEF

WEST PENN POWER
SUSTAINABLE
ENERGY FUND

RECEIVED

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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GREENSBURG, PA 15601
WWW.WPPSEF.ORG

INTRODUCTION AND HIGHLIGHTS

In 2010, the West Penn Power Sustainable Energy Fund (WPPSEF) entered its ninth year of providing funding to:

- Promote the use of renewable and clean energy;
- Promote energy conservation and energy efficiency; and
- Promote the start-up, attraction, expansion, and retention of sustainable energy businesses.

The WPPSEF activities continued to increase from previous years as its programs and initiatives became more visible within the West Penn Power (WPP) service region and across the Commonwealth.

During 2010, the WPPSEF Board approved \$1,859,450 to co-fund 16 funding requests. Key accomplishments in 2010 include:

Investing in clean energy. The WPPSEF committed a \$1,100,000 loan to BT Energy, Inc to install a 189 kW solar photovoltaic (PV) system at REI's Bedford distribution center. The loan was approved to provide \$750,000 in bridge construction financing and \$350,000 in permanent financing.

Investing in energy efficiency. The WPPSEF continues its support and the transitioning of the PA Home Energy program to the private sector in 2010. WPPSEF committed an additional \$307,500 for program support in 2010. The WPPSEF is working to transfer the program administration and the EPA Home Performance with ENERGY STAR program sponsorship to AFC First Financial in Allentown, PA where it will be integrated into the Keystone Home Energy Loan Program (Keystone HELP). This consolidation will reduce program costs while improving program quality and deliverability. It is anticipated that this transition will be completed in 2011.

Investing in education and public outreach. In 2010, the WPPSEF made several commitments to support local and national organizations through membership commitments. In addition, the WPPSEF worked with the Western Area Career and Technical Center (WACTC) in Canonsburg, PA to co-fund the construction of an Adult

Learning Center to ENERGY STAR standards. This project, which is to be constructed by WACTC students and staff will be a “living classroom” where future students can learn about high performance construction practices.

FINANCIAL APPROVALS

The WPPSEF financial approvals in 2010 can be broken down into the following categories: loans, strategic initiatives developed by the WPPSEF, and grants (includes grants, sponsorships, memberships).

Loans

Business	Amount	Comments
BT Energy II	\$750,000	Bridge funding to install a 189 kW solar PV system at REI Bedford distribution center.
BT Energy II	\$350,000	Permanent financing for the 189 kW solar PV system at REI Bedford distribution center.
<i>Total Investment</i>	<i>\$1,100,000</i>	

Strategic Initiatives

Business	Amount	Comments
PA Home Energy	\$307,500	WPPSEF is transitioning the PA Home Energy to the private sector. PA Home Energy deploys ENERGY STAR construction programs that utilize a comprehensive whole house approach to improve residential energy efficiency (ENERGY STAR Qualified Homes for new home construction and Home Performance with ENERGY STAR for existing homes).
PA Biomass Working Group	\$112,500	The WPPSEF is assisting the PA biomass industry that is focused on utilizing sustainable biomass feedstocks for thermal and combined heat and power applications.
<i>Total Strategic Initiatives</i>	<i>\$420,000</i>	

Grants/ Memberships/ Sponsorships

Business	Amount	Comments
Women In Need	\$86,250	Co-funding for a new LEED Silver designed 10,900 ft ² domestic violence facility.
Western Area Career and Technology Center	\$44,000	Student construction of an Adult Learning Center to ENERGY STAR standards.
Borough of Chambersburg	\$40,000	Support to develop a whole house residential energy efficiency energy audit/ improvement program in the Borough for low-income homes.
Action Housing	\$10,000	Co-funding for Energy Scorecard
PennTAP	\$45,000	Support for DOE Save Energy Now industrial energy efficiency deployment
Westmoreland County Community College	\$77,000	Workforce development program for Building Analyst I training and curriculum development
ACI	\$25,000	Sponsorship for 2011 PA Home Energy Conference
Green Building Alliance (Pittsburgh)	\$2,500	2011 Sponsorship
American Solar Society	\$200	2011 Membership
Alternative Fuels Renewable Energy Council	\$750	2011 Membership
Penn Future Center for Sustainability	\$7,500	2011 Sponsorship
Green Building Association of Central PA	\$1,250	2011 Sponsorship
Total Grants/ memberships/ sponsorships	\$339,450	

WPPSEF ADMINISTRATION

The WPPSEF administration consists of a seven-member board of directors that provides oversight to the Fund and an administrative staff that oversees the day-to-day operations. Individual board members are selected by the Fund through a search and external nomination process. The WPPSEF Board reviews all applicants and then submits their recommendation to the Pennsylvania Public Utility Commission for final approval. All of the board members serve on a volunteer basis.

The WPPSEF Board of Directors as of December 31, 2010, was:

- John Walliser, President
 - ▶ Pennsylvania Environmental Council

- Gwen Auman, *Vice President*
Aumen Weis Enterprises

- Jim Stark, *Secretary*
 - ▶ Fayette County Community Action Agency
- Pat O'Brien, *Treasurer*
 - ▶ First Federal Bank of Monessen
- Rob Hosken,
 - ▶ Building Performance Architecture
- Michele Ponchione
 - ▶ World Kitchen

In May 2010, the WPPSEF Board approved the nomination of Ms. Gwen Auman to serve on the WPPSEF Board. The nomination received PUC approval in June 2010. In April 2010, Ms. Cassandra Robinson resigned from the Board. Ms. Robinson represented Allegheny Power. As of December 31, 2010 the WPPSEF has one board seat vacancy.

The WPPSEF Board of Directors selected The Pennsylvania State University Energy Institute to serve as the Fund's administrator and the Economic Growth Connection of Westmoreland to provide financial services to the Fund. In addition, the Fund utilizes the services of external consulting firms on an as-needed basis.

The WPPSEF staff as of December 31, 2010, was:

- Joel Morrison and Barbara Robuck
 - ▶ The Pennsylvania State University (The EMS Energy Institute)
- John Skiavo, James Smith, and Carolyn Berkey
 - ▶ Economic Growth Connection of Westmoreland

WPPSEF BOARD MEETINGS

The WPPSEF schedules its board meetings at the beginning of each calendar year. Full board meetings are scheduled for every two months. In addition, the WPPSEF Board has developed ad-hoc three working groups (administrative, investment, and grantmaking) that meet on an as-needed basis.

In 2010, the WPPSEF Board of Directors met on:

- February 25 (Greensburg, PA)
- April 8 (Greensburg, PA)
- July 9 (State College, PA)
- August 12 (Teleconference Call)
- October 21-22 (Hershey, PA)
- December 9 (Charleroi, PA)

WPPSEF WEB SITE

The WPPSEF web site is updated throughout the calendar year as new projects are funded and programs developed. The WPPSEF Web site is at <http://www.wppsef.org>.

PLANNED 2011 ACTIVITIES

The WPPSEF will focus on two broad categories in the 2011 timeframe. They are:

Bioenergy. The WPPSEF will continue to seek out projects that use Pennsylvania indigenous biomass resources for the production of heat and combined heat and power applications. The WPPSEF will expand its efforts to seek out investment opportunities in residential, commercial, and light industrial applications for bioenergy.

Energy Efficiency. The WPPSEF will continue to work to transition its PA Home Energy program to the private sector. The WPPSEF will work with AFC First Financial to complete the transition of the PA Home Energy program to the private sector before the end of 2011.

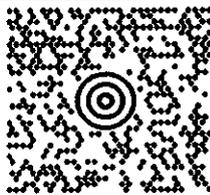
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1. **Print the label(s):** Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.
2. **Fold the printed label at the solid line below.** Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.
3. **GETTING YOUR SHIPMENT TO UPS**
Customers without a Daily Pickup
Schedule a same day or future day Pickup to have a UPS driver pickup all of your Internet Shipping packages.
Hand the package to any UPS driver in your area.
Take your package to any location of The UPS Store®, UPS Drop Box, UPS Customer Center, UPS Alliances (Office Depot® or Staples®) or Authorized Shipping Outlet near you. Items sent via UPS Return Services(SM) (including via Ground) are also accepted at Drop Boxes. To find the location nearest you, please visit the 'Find Locations' Quick link at ups.com.

Customers with a Daily Pickup

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